

Senate File 298 - Introduced

SENATE FILE 298

BY JOCHUM

(COMPANION TO HF 202 BY
ISENHART)

A BILL FOR

1 An Act relating to the property tax exemption for property
2 owned by certain municipalities and the Iowa national guard
3 and including applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, subsection 2, Code 2011, is
2 amended to read as follows:

3 2. *Municipal and military property.*

4 a. The property of a county, township, city, school
5 corporation, levee district, drainage district, or the Iowa
6 national guard, when devoted to public use and not held for
7 pecuniary profit, except property as provided in paragraph "e".

8 b. The exemption under paragraph "a" shall not apply to any
9 of the following:

10 (1) Property of a municipally owned electric utility
11 held under joint ownership and property of an electric power
12 facility financed under chapter 28F or 476A that shall be
13 subject to taxation under chapter 437A and facilities.

14 (2) Facilities of a municipal utility that are used for the
15 provision of local exchange services pursuant to chapter 476,
16 but only to the extent such facilities are used to provide such
17 services, which shall be subject to taxation under chapter 433,
18 except that section 433.11 shall not apply.

19 c. The exemption for property owned by a city or county also
20 applies to property which is operated by a city or county as a
21 library, art gallery or museum, conservatory, botanical garden
22 or display, observatory or science museum, or as a location
23 for holding athletic contests, sports or entertainment events,
24 expositions, meetings, or conventions, or leased from the city
25 or county for any such purposes, or leased from the city or
26 county by the Iowa national guard or by a federal agency for
27 the benefit of the Iowa national guard when the property owned
28 by the city or county is devoted for public use and not for
29 pecuniary profit, except as provided in paragraph "e".

30 d. Food and beverages may be served at the events or
31 locations without affecting the exemptions, provided the city
32 has approved the serving of food and beverages on the property
33 if the property is owned by the city or the county has approved
34 the serving of food and beverages on the property if the
35 property is owned by the county. The exemption for property

1 owned by a city or county also applies to property which is
2 located at an airport and leased to a fixed base operator
3 providing aeronautical services to the public.

4 e. The exemption for property owned by a county, township,
5 city, school corporation, levee district, drainage district, or
6 the Iowa national guard under paragraph "a" shall also include
7 property held by such entities for pecuniary profit if such
8 property is leased to and used by a person who, if the person
9 owned the property, would qualify for an exemption authorized
10 by law. An exemption under this paragraph shall be limited
11 to the proportion of the exemption that the lessee would be
12 entitled to if the lessee owned the property.

13 Sec. 2. APPLICABILITY. This Act applies to assessment years
14 beginning on or after January 1, 2012.

15 EXPLANATION

16 Current Code section 427.1, subsection 2, provides a general
17 property tax exemption for the property of a county, township,
18 city, school corporation, levee district, drainage district,
19 or the Iowa national guard, when devoted to public use and not
20 held for pecuniary profit. This bill applies the exemption to
21 property held by such entities for pecuniary profit if such
22 property is leased to and used by a person who, if the person
23 owned the property, would qualify for an exemption authorized
24 by law. An exemption allowed under the bill is limited to the
25 proportion of the exemption that the lessee would be entitled
26 to if the lessee owned the property.

27 The bill applies to assessment years beginning on or after
28 January 1, 2012.